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AUG 15 1994

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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF MARIN

10 CHURCH OF SCIENTOLOGY INTERNATIONAL,)
11 a California not-for-profit)
12 religious corporation,)

13 Plaintiff,)

14 vs.)

15 GERALD ARMSTRONG; MICHAEL WALTON;)
16 THE GERALD ARMSTRONG CORPORATION)
17 a California for-profit)
18 corporation; DOES 1 through 100,)
19 inclusive,)

20 Defendants.)

No. 157 680

**EVIDENCE IN SUPPORT OF
GERALD ARMSTRONG'S MOTION
FOR SUMMARY JUDGMENT, OR,
IN THE ALTERNATIVE, FOR
SUMMARY ADJUDICATION OF
ISSUES**

Date: September 9, 1994
Time: 9:00 a.m.
Dept: One
Trial Date: 9/29/94

VOLUME V

RECEIVED

AUG 15 1994

HUB LAW OFFICES

IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA
IN AND FOR THE COUNTY OF MARIN

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COPY

CHURCH OF SCIENTOLOGY)
INTERNATIONAL, a California)
not-for-profit religious)
corporation,)

Plaintiff,)

vs.)

NO. 157-680)

GERALD ARMSTRONG; MICHAEL)
WALTON; THE GERALD ARMSTRONG)
CORPORATION, a California for)
profit corporation; DOES 1)
through 100, inclusive,)

Defendants.)

AND RELATED CROSS-ACTION.)
_____)

DEPOSITION OF:

LYNN R. FARNY

Monday, July 11, 1994

VOLUME I

Reported by:
PENNY L. GILMORE
CSR NO. 4724

PENNY L. GILMORE & ASSOCIATES
DEPOSITION REPORTERS
P.O. BOX 862
ROSS, CALIFORNIA 94957
(415) 457-7899

1 Q. How long have you been secretary?

2 A. June 1988.

3 Q. Have you held any other position in the
4 organization? When I say "the organization," I'm talking
5 about the organization that filed the lawsuit in this
6 litigation. Do you understand that?

7 A. Yes, I do.

8 Prior to my becoming secretary of the
9 corporation for the Church of Scientology International I
10 was an employee for approximately four years.

11 Q. Did your position as an employee involve you
12 having any kind of title?

13 A. Yes.

14 Q. What were your titles starting from the first
15 and progressing until the last?

16 A. The entire time I'm been with the Church of
17 Scientology International I've worked in the legal
18 department. I've had various job titles, some of which I
19 don't remember, but they're all in the area of litigation
20 working in either a paralegal capacity or as an executive
21 over the department in which the paralegals work.

22 Q. How big is that department?

23 MR. MOXON: Objection. Which department?

24 MR. WALTON: The legal department.

25 MR. MOXON: Objection as to time. Now?

1 MR. WALTON: Q. What's the biggest it has been
2 since you have worked in it? What's the maximum number of
3 people in that department from the time you worked in it
4 until now?

5 A. Approximately 50.

6 Q. Does that include lawyers?

7 A. No.

8 Q. What's the smallest that it's been?

9 MR. MOXON: I object to relevance. Is there
10 some point as to how large or small the department is?

11 MR. WALTON: I think it may relate to the amount
12 of experience that this witness has. This witness is here
13 on behalf of the plaintiff and I'm going to be asking a
14 lot of questions. I need to know if he's qualified. I'm
15 looking at what his qualifications are.

16 MR. MOXON: Is there a particular qualification
17 you are interested in?

18 MR. WALTON: I want to know what his experience
19 is.

20 MR. MOXON: How large or how small the
21 department is is irrelevant to how much experience he has.

22 MR. WALTON: I don't think so. I think if he's
23 been working with 50 people, for example, he's been number
24 two in charge of 50 people, that would indicate a lot of
25 experience than if he's been working with one person and

1 he's been the second in command.

2 Can we have a ruling?

3 MR. BENZ: I'm going to allow the question as to
4 background.

5 THE WITNESS: Four.

6 MR. WALTON: Q. At the present time how large
7 is it, just approximately?

8 A. Approximately 25 to 30.

9 Q. Do you have direct control, management control
10 over any of these people?

11 A. Yes.

12 Q. How many?

13 A. Three.

14 Q. To whom do you answer? Who is your supervisor?

15 A. You want his name, is that what you are asking?

16 Q. Yes.

17 A. Ed Parkin, P-A-R-K-I-N.

18 Q. What is Mr. Parkin's title?

19 A. Legal activities chief.

20 Q. Mr. Farny, how many times have you had your
21 deposition taken?

22 A. At least a dozen, but I'm not certain how many
23 times.


24 Q. How many of those times in relationship to some
25 Scientology litigation?

1 CERTIFICATE OF DEPOSITION OFFICER

2
3 I, PENNY L. GILMORE, duly authorized to
4 administer oaths pursuant to Section 8211 of the
5 California Code of Civil Procedure, do hereby certify
6 that LYNN ROBERT FARNY, the witness in the foregoing
7 deposition, was by me duly sworn to testify the truth, the
8 whole truth and nothing but the truth in the
9 within-entitled cause; that said deposition was taken at
10 the time and place herein stated, that the testimony of
11 said witness was reported by me, a Certified Shorthand
12 Reporter and a disinterested person, and was thereafter
13 transcribed into computer-assisted transcription under my
14 direction.

15 I further certify that I am not of counsel or
16 attorney for either or any of the parties in the foregoing
17 deposition and caption named, nor in any way interested in
18 the outcome of the cause named in said caption.

19 IN WITNESS WHEREOF, I have hereunto set my hand
20 this 6th day of August 1994.

21
22 _____
23 DEPOSITION OFFICER, CSR NO. 4724
24 I hereby certify this copy is a
25 true and exact copy of the
Original.


DEPOSITION OFFICER, CSR NO. 4724

IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA
IN AND FOR THE COUNTY OF MARIN

---oOo---

CHURCH OF SCIENTOLOGY
INTERNATIONAL, a California
not-for-profit religious
corporation,

Plaintiff,

vs.

GERALD ARMSTRONG; MICHAEL
WALTON; THE GERALD ARMSTRONG
CORPORATION, a California for
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through 100, inclusive,

Defendants.

AND RELATED CROSS-ACTION.

COPY

NO. 157-680

DEPOSITION OF:

LYNN R. FARNY

Tuesday, July 12, 1994

VOLUME II

Reported by:
PENNY L. GILMORE
CSR NO. 4724

PENNY L. GILMORE & ASSOCIATES
DEPOSITION REPORTERS
P.O. BOX 862
ROSS, CALIFORNIA 94957
(415) 457-7899

1 A. Certainly.

2 Q. What was that?

3 A. I had an ecclesiastical position; I didn't have
4 any corporate position. I worked in the legal department
5 since 1984.

6 Q. When you refer to your working in the legal
7 department from '84 to '88 as holding an ecclesiastical
8 position, would you define for me what you mean by your
9 use of the term "ecclesiastic"?

10 A. A position that derives from -- sorry, that
11 derives its authority, if you will, from the ecclesiastic
12 organization of the Church as opposed to the corporate
13 organization of the Church. The corporation as a
14 corporation is organized with directors and officers;
15 ecclesiastically we're organized otherwise.

16 Q. So the ecclesiastical organization is separate
17 and distinct and apart from the corporate organization?

18 A. Except to the degree --

19 Q. First if you can agree give me a yes-or-no
20 answer?

21 MS. BARTILSON: I'm going to object and ask you
22 to let him finish answering the question before you
23 interrupt. I think that was the ground rules yesterday.

24 THE WITNESS: Except to the degree of this --
25 and the answer is not going to offend you -- the people

1 that occupy the corporate positions occupy similar
2 ecclesiastic positions, so there's some relationship to
3 it.

4 MR. GREENE: Q. Again, my question is that the
5 ecclesiastical organization exists separate and apart from
6 the corporate organization?

7 MS. BARTILSON: Objection, asked and answered.
8 Answer it again.

9 THE WITNESS: Obviously you are dealing with the
10 same group of people. There are parallel -- I think a
11 better way of expressing it, there are parallel
12 ecclesiastical and corporate organizations that are
13 separate, but the part in the question I'm having
14 difficulty with is "distinct." You are talking about the
15 same Church. In other words, the Church of Scientology
16 International is organized in an ecclesiastical fashion,
17 and within those ecclesiastical positions certain
18 individuals occupy corporate positions. To that degree
19 they are separate, yes, but you are talking about the same
20 entity.

21 Q. We're talking about CSI.

22 A. That's right.

23 Q. That's the corporation.

24 A. Mm-hmm.

25 Q. That's one subject matter that we're discussing.

1 A. Right.

2 Q. The other subject matter we're discussing is the
3 subject matter of ecclesiastical authority.

4 A. Right.

5 Q. And there's commonalities between CSI and
6 ecclesiasticalness but they're not identical, are they?

7 MS. BARTILSON: Objection, vague and ambiguous.

8 THE WITNESS: I don't exactly understand your
9 question.

10 MR. GREENE: Q. Let me try to make it more
11 clear.

12 A. Try it again.

13 Q. Yesterday, if my recollection is right, your
14 testimony was that there are approximately 1400
15 Scientology-related organizations, right?

16 A. Yes, churches, missions and groups.

17 MR. WALTON: What?

18 THE WITNESS: Churches, missions and groups.

19 MR. WALTON: Am I the only one down here not
20 hearing well?

21 MR. BENZ: I missed it the first time. I heard
22 it the second time.

23 MR. GREENE: Q. So of those 1400 churches,
24 missions and groups, CSI is one, correct?

25 A. That's also correct.

1 Q. Now isn't it true that there is ecclesiastical
2 authority in place in each of those 1400 groups, if you
3 know?

4 A. Ecclesiastical authority in place in each?

5 Q. Yes.

6 A. Each as its own separate unit or among them?

7 That's what I don't understand about your question. I
8 think it's largely irrelevant, though, because the answer
9 is yes to both questions. I want to make sure which of
10 those two questions you are asking.

11 Q. I'll keep asking my questions and we'll do our
12 best to wend our way through this.

13 Where officers, directors and trustees of CSI
14 have authority, that's defined according to the articles
15 in the bylaws of CSI?

16 A. Right.

17 Q. They are also subject to authority that's
18 derived from an ecclesiastical source, right?

19 A. Okay, I'll go along with that. All right.

20 Q. And the ecclesiastical source is the scripture
21 of the Scientology religion; isn't that right?

22 A. That's also correct.

23 Q. And the scripture of the Scientology religion in
24 part is derived from the writings of L. Ron Hubbard?

25 A. Correct. I would object to your

1 characterization of "in part." It is derived from the
2 written and recorded spoken words of L. Ron Hubbard on the
3 subjects of Dianetics and Scientology.

4 Q. Entirely?

5 A. Yes.

6 Q. So then is an accurate definition of your
7 understanding of the use of the term scripture as used in
8 Scientology, to define scripture as being the totality of
9 the written -- of the writings and recordings of L. Ron
10 Hubbard?

11 MS. BARTILSON: Objection, misstates the
12 witness's testimony.

13 MR. GREENE: I'm asking if that's accurate.

14 THE WITNESS: No, that's not accurate.

15 MR. GREENE: Q. Then I misunderstood what you
16 said. Tell me again. I'm sorry.

17 A. Scriptures of the Scientology religion are
18 comprised of written and recorded words of L. Ron Hubbard
19 on the subject of Dianetics and Scientology with the
20 allowance that they may have been cancelled over the years
21 or revised or modified, or whatever. On the subject of
22 Dianetics and Scientology, what I had told you in the
23 first answer was given allowances for any cancellations or
24 revisions that may have been done over the years.

25 Q. That's part of -- Let me get a bigger picture

1 first before I go more narrowly.

2 When you make the qualification on the subjects
3 of Scientology and Dianetics, does that include writings
4 on organizational administration?

5 A. That would not be included in the exception.

6 Q. I'm not focused on the exception; I'm focused on
7 the scope of the meaning of scripture. So my question is
8 is it included within the scope of the meaning of
9 scripture L. Ron Hubbard's writings on administrative
10 management?

11 A. Certainly, as it's used in the Church and as
12 it's used in the Organization Executive Courses, First
13 Volume, certainly that's considered scripture.

14 Q. You are a Scientology executive yourself; is
15 that right?

16 A. That's correct.

17 Q. So you have gone through and received some
18 amount of training in the organization executive courses,
19 right?

20 A. Yes.

21 Q. Would you tell me what the extent of your
22 training in that regard has been?

23 A. I've done the entire Organization Executive
24 Course, which is the study of the encyclopedic volumes of
25 Church policy as well as the Flag Executive Briefing

1 Course.

2 Q. And the OEC, Organization Executive Course
3 books, those are the green ones?

4 A. That's correct.

5 Q. Now directing your attention to what's Bates-
6 stamped as page 13 there's the enumeration of what the
7 Mother Church has got to adhere to and there's a list of
8 three items.

9 A. Yes.

10 Q. So part of what CSI's corporate mandate is is to
11 adhere to the goals, tenets, doctrines, codes, creed,
12 policies and practices set forth in the Scientology
13 scriptures, right?

14 A. That's correct.

15 Q. And you yourself as an individual Scientology
16 executive are bound by such things as well, correct?

17 A. Certainly in the performance of my duties, yes,
18 of course.

19 Q. And also in the performance of -- I mean, you
20 have given your life to Scientology, essentially, haven't
21 you?

22 A. I've devoted my life to it, yeah. I think we're
23 getting into the area of personal religious experience
24 that's been excluded, but, yes, of course I have.

25 Q. That's been roughly since 1976, right?

1 A. Roughly.

2 Q. Now item two talks about recognition of the
3 ecclesiastical authority of the hierarchy of the Mother
4 Church, right?

5 A. That is what it says.

6 Q. Now making reference to the ecclesiastical
7 authority that means, if I have understood you -- and I
8 may not and I know you will correct me if I haven't --
9 that recognition is of the Scientology scriptures, right?

10 A. To be precise, the recognition is of the
11 ecclesiastical authority of the hierarchy of the Mother
12 Church but it flows, that authority flows from the
13 scriptures, if that's what you are asking.

14 Q. That's a good starting point. Then the next
15 point I want to go to is the phrase "hierarchy of the
16 Mother Church." My first question is: The hierarchy to
17 which that phrase makes reference, is that hierarchy
18 contained within CSI?

19 A. That appears to be the most logical reading of
20 point two, yeah.

21 Q. Let me ask you -- I know that it appears to be
22 the reading --

23 A. It would --

24 Q. It appears that way to me, too.

25 A. It would match the way things work. So the

1 Q. And in some cases physically?

2 A. I don't recall receiving a physical order, but
3 you are correct that orders can be issued that way.

4 Q. That's the scope of my universe. Is that the
5 same as yours?

6 A. Ditto.

7 Q. So, then, when you receive an order, for such an
8 order to be pursuant to policy that order has got to be in
9 writing, doesn't it?

10 A. Policy contemplates the existence of verbal
11 orders, so the answer to your question is no.

12 Q. Was the entire legal division of OSA affected by
13 the reorganization?

14 A. Yes.

15 Q. How many people was that, approximately?

16 A. Thirty to 40.

17 Q. Now the action bureau of OSA contemplates the
18 performance of what type of activities?

19 A. Sending representatives to local areas to assist
20 them to resolve situations in that area either internally
21 within the local Office of Special Affairs or Department
22 of Special Affairs or externally.

23 Q. When such persons were sent out would that be
24 called a mission?

25 A. It would.

1 Q. Would such persons performing such missions
2 generally be members of the CMO?

3 A. No.

4 Q. Did you hold the post of civil litigation
5 officer within OSA during the original Armstrong
6 litigation?

7 A. You mean in 1984?

8 Q. That was when --

9 A. 1982 to 1984?

10 Q. Yes, '82 to '84.

11 A. No, I did not.

12 Q. Were you involved in the Armstrong litigation --
13 Actually, strike that.

14 Q. What post did you hold in the '82 to '84 time
15 period, post or posts?

16 A. It's plural. When the case was first filed and
17 we obtained the temporary restraining order --

18 Q. Wait, wait, wait, I want --

19 A. I have to do it by what was happening. Do you
20 want to do it by date?

21 Q. No, you can give me activity and sequence.

22 A. When the litigation was first filed I was in
23 supercargo of the Office of Special Affairs, U.S.

24 MR. WALTON: I'm sorry, what?

25 THE WITNESS: Supercargo.

1 MR. GREENE: Q. That was your post?

2 A. Yes.

3 Q. So then what post next did you have?

4 A. Then August '82, August '82 I was on that
5 position. I'm not sure -- no, it wasn't OCS; that was
6 before the reorg was completed. It was U.S. Guardian's
7 Office.

8 Q. So you were supercargo of the U.S. Guardian's
9 Office in approximately August of '82?

10 A. That's correct. Then after the reorg I went
11 into legal. That would have been January of '83 I went
12 into legal in the mission all clear, and I held various
13 positions within that until I moved up to the Office of
14 Special Affairs International in approximately April of
15 '84. My position was called litigation secretary. I was
16 the head of what is now the Legal Bureau. At that time it
17 was the Litigation Bureau.

18 Q. So you were litigation secretary up through June
19 of '84 when Breckenridge's decision came out?

20 A. Yes.

21 Q. Then were you civil litigation officer?

22 A. No.

23 Q. What was next?

24 A. Next was deputy litigation chief for the United
25 States; then was litigation chief. I'm not sure it was

1 chief. No, it wasn't chief, it was director of both of
2 those. Then I was the All Clear legal secretary. My next
3 post in legal was litigation chief, legal aide.

4 Q. Legal aide is a different post?

5 A. It's different.

6 Q. I just want to make sure I'm clear.

7 A. Legal quality control officer and then civil
8 litigation officer.

9 Q. And all of these positions were all positions
10 within the ecclesiastical authority of CSI, right?

11 A. Not all that I listed.

12 Q. Let me go through them and check them off and
13 then you can tell me.

14 A. You want me just to tell you where the ones
15 within CSI start?

16 Q. Sure.

17 A. Litigation secretary, all the ones thereafter.

18 Q. Those were ecclesiastical positions?

19 A. No, all the ones from that one onward was within
20 CSI. The ones previously were CSC, Church of Scientology
21 California.

22 Q. So when you were supercargo USGO, that was
23 within CSC?

24 A. That's right.

25 Q. Then you made reference to the reorganization

1 and that's what has been called in the past "mission
2 corporate category sort-out"?

3 A. No.

4 Q. That's a different reorganization?

5 A. Mission corporate sort-out didn't result in a
6 reorganization; it was abandoned. It was a complete
7 failure.

8 Q. The reorganization, then, to which you were
9 making reference was the reorganization that resulted, at
10 least in part, with the origination of CSI, RTC, Religious
11 Technology Center, and CST, Church of Spiritual
12 Technology, right?

13 A. In part. It began approximately in the summer
14 of 1981 and was complete with a total disbandment of the
15 Guardian's Office by October of '83.

16 Q. Now the list that you gave me of litigation
17 secretary on, those all were within OSA, right?

18 A. That's correct.

19 Q. And OSA is an ecclesiastical organization,
20 right?

21 A. The Office of Special Affairs International.

22 Q. Right.

23 A. What we've been calling OSA.

24 Q. Yes. Just so we're clear, there's a difference
25 between the Office of Special Affairs and Office of

1 Special Affairs International, isn't there?

2 A. Yes.

3 Q. So when you and I have been talking here saying
4 the words or the letters OSA, what my understanding has
5 been is we've been referring to the international
6 organization; is that the same as what yours has been?

7 A. I don't think I've used it any other way.

8 Q. I don't think you have either. I just want to
9 make sure we're clear.

10 A. Yes.

11 Q. So with all that in mind, going back to Bates-
12 stamped page 13 of Exhibit three, when you are talking
13 about items two and three there and references made to
14 ecclesiastical authority and governance in ecclesiastical
15 matters by said hierarchy, what we're talking about is OSA
16 International, right?

17 A. Not exclusively, no.

18 Q. But in part?

19 A. Small part certainly, but we're not the main
20 line of ecclesiastical management of the religion; we're a
21 small portion of that that deals with external matters
22 such as this lawsuit. So we're not by any stretch of the
23 imagination the mainline of activity of the Church.

24 Q. Right. I'm not meaning to suggest that you are.

25 A. Within those confines, fine.

1 what was done. Now, then, its subsequent importance to
2 history will determine whether or not such things are
3 kept, but within those guidelines.

4 MR. GREENE: I would like to mark as Defendant's
5 six a one-page document that's an HCO policy letter that
6 was reissued on 12 of April 1983.

7 (Whereupon Defendant's Exhibit 6
8 was marked for identification.)

9 MR. GREENE: Q. Directing your attention to
10 Defendant's Exhibit six, do you recognize that document?

11 A. Let me read it first.

12 Q. Sure.

13 A. All right, I've read it.

14 Q. Have you seen this document before?

15 A. Yes. Absent the Bates stamp.

16 Q. The title of this document is Verbal Tech:
17 Penalties, right?

18 A. Yes.

19 Q. Has this policy letter, to your knowledge, ever
20 been rescinded?

21 A. Not to my knowledge.

22 Q. As a Scientology executive is this policy letter
23 something that you would do your best to comply with?

24 A. I would do my best to adhere to it, yes,
25 especially since the second paragraph really exemplifies

1 what we're talking about in term of standard technology.
2 The materials of Scientology are contained in the
3 materials and that's the best reference for them.

4 Q. Then the first paragraph where it says, "Any
5 person found to be using verbal tech shall be subjected to
6 a court of ethics." You know what a court of ethics is,
7 right?

8 A. That's right.

9 Q. A court of ethics is a particular procedure
10 within Scientology; is that right?

11 A. That's right.

12 Q. Part of Scientology has to do with a realm of
13 practice that is known as ethics, right?

14 A. Realm of practice?

15 Q. Part of Scientology practice has to do with
16 ethics, right?

17 A. Yes.

18 Q. And ethics has got a very specific meaning
19 within Scientology, right?

20 A. Yes.

21 Q. As a general principle if an individual is
22 having difficulty within Scientology it's because in
23 Scientology parlance his or her ethics are out, right?

24 MS. BARTILSON: I'm going to object.

25 THE WITNESS: I wouldn't adopt that as a general

1 principle, no. I would not adopt that as a general
2 principle and you are right, we are getting --

3 MS. BARTILSON: We are really getting far afield
4 here and I don't see any relevance to this. General
5 practice of Scientology is exactly what he said it is.

6 MR. GREENE: We'll come back to it and it is
7 quite relevant. I'll lay a better foundation.

8 MR. BENZ: I think the question has been
9 answered.

10 THE WITNESS: It has been. I couldn't let the
11 misstatement of it stand.

12 MR. BENZ: That's fine. So no ruling is
13 required at this point, is what I'm saying.

14 MR. GREENE: Q. In fact, Exhibit number six has
15 specifically been adopted by CSI, right?

16 A. That's what it says.

17 Q. To your knowledge, that's the truth, isn't it?

18 A. Yes, to my knowledge that's the truth.

19 MR. GREENE: I'd like to mark as Defendant's
20 seven the HCO policy letter of 5 March '65.

21 (Whereupon Defendant's Exhibit 7
22 was marked for identification.)

23 MR. GREENE: Q. Directing your attention to
24 seven and immediately to the obscured part --

25 A. Sorry, I didn't hear you.

1 Q. I want to direct your attention to the obscured
2 part.

3 A. Okay.

4 Q. When you focus you can read the words, although
5 they're not as easy to read as the rest of it. On page
6 one there of Exhibit seven the part that's been obscured,
7 as I see it it says, quote, "The sense in which we use
8 policy is the rules and administrative formulas by which
9 we agree on action and conduct our affairs," close quote.

10 A. Yes, that's what it looks like to me.

11 MS. BARTILSON: Do you have the original?

12 THE WITNESS: Mine is a generation earlier.

13 Just for the record, the one handed Laurie was a couple of
14 generations beyond that and couldn't be read.

15 MR. GREENE: Q. Do you have the original? Take
16 a look at the original and satisfy yourself that Exhibit
17 seven is --

18 MS. BARTILSON: See if it matches because
19 there's junk all over it.

20 THE WITNESS: What am I supposed to match, this
21 sentence?

22 MR. GREENE: Q. Just the document. You asked
23 earlier if you could take a look at the green volume to be
24 able to compare the exhibits.

25 A. Okay, fine. All right, it appears to match.

1 Q. All right. Exhibit seven, like all the other
2 policy letters, as a Scientologist the expectation is to
3 adhere to what is expressed in the policy letters, right?

4 A. Well, what is expressed in here in terms of the
5 timeless nature would be adhered to, yes, like the general
6 laws given up at the top. But, of course, one cannot
7 continue to adhere to his description at the time he wrote
8 it of the international board being composed of 336.

9 Q. Because that doesn't exist anymore.

10 A. Right.

11 Q. Of course not.

12 A. But the general laws and definitions of terms
13 that are given here, yes.

14 Q. Which would include the definition here of a
15 policy letter right underneath the obscured part?

16 A. I think -- oh, underneath, not in back of. "One
17 which contains one or more policies and their explanation
18 and application." Yes, correct.

19 Q. Now aside from any organizational inaccuracies
20 that are set forth in Exhibit seven --

21 A. Organizational antiquities. They were accurate
22 at the time.

23 Q. Aside from those things you would adhere to and
24 comply with what's expressed in Exhibit seven, right?

25 A. Yes, aside from any organizational antiquities

1 that have since been revised.

2 My watch shows quarter to.

3 Q. I have just one more, so let's do it.

4 Defendant's Exhibit eight is an HCO Policy Letter of 9
5 August 72.

6 (Whereupon Defendant's Exhibit 8
7 was marked for identification.)

8 THE WITNESS: All right, I've read it.

9 MR. GREENE: Q. Has Exhibit eight been
10 rescinded -- excuse me, strike that.

11 Do you recognize Exhibit eight?

12 A. Yes.

13 Q. Is that a current policy letter that's currently
14 adhered to in Scientology according to your best
15 knowledge?

16 A. Generally, yes, although the organizational
17 entities referred to in the fifth paragraph have different
18 names.

19 Q. That is the International Board Members?

20 A. I was thinking of the Authority and Verification
21 Unit as the Authorization and Verification Unit.

22 Q. Now it's known as that?

23 A. Yes.

24 Q. What about the International Board members?

25 A. That would apply to CSI at present.

1 Q. What portion of CSI would that apply to?

2 A. The board members.

3 Q. So, then, in your practice as a Scientology
4 executive you adhere to what's set forth in Exhibit eight,
5 right?

6 A. Yes, I take the information from HCOBs and HCO
7 PLs to be senior to other types of policy directors. It's
8 a matter of interpretation of them.

9 Q. Okay, great. Let's break for lunch.

10 (Whereupon the deposition was adjourned
11 for lunch.)

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1 A. As you wish.

2 MR. GREENE: I want to mark as Defendant's nine
3 an HCO policy letter of 25 November 1970 corrected and
4 reissued 27 November 1970. Let the reporter mark it
5 first.

6 (Whereupon Defendant's Exhibit 9
7 was marked for identification.)

8 MR. GREENE: Q. Would you take a few moments
9 and read Exhibit number nine, which is a four-page
10 document?

11 Actually, rather than have you read every word,
12 can you tell whether or not you recognize it first?

13 MS. BARTILSON: I'm going to object and ask the
14 witness be allowed to review the document before he can
15 say if he recognizes it or not. It's a four-page
16 document. It shouldn't take very long to look at it.

17 THE WITNESS: It appears to be a 1986
18 publication of this policy letter, again with the same
19 caveat as before.

20 Do you want me to continue reading or is there a
21 part you want me to focus on specifically?

22 MR. GREENE: Q. Let me focus on the third page
23 at the top says, quote, "An order is the direction or
24 command issued by an authorized person to a person or
25 group within the sphere of the authorized person's

1 authority," close quote.

2 A. Okay, I've read that.

3 Q. That principle applies currently within CSC,
4 does it not, or CSI, excuse me?

5 A. Certainly the principle applies as a matter of
6 the command channel's specific function of a senior post
7 and junior post such to be totally accurate, but certainly
8 the principle applies.

9 Q. Then the next sentence where it says, quote, "By
10 implication an order goes from senior to juniors," close
11 quote, that general principle is applicable currently in
12 CSI, right?

13 A. Of course.

14 Q. Now you know an individual named Norman Starkey,
15 don't you?

16 A. Yes.

17 Q. What is Norman Starkey's post?

18 A. He's the executive director of Author Services
19 Incorporated, which is Mr. Hubbard's literary agency.
20 He's the trustee of Mr. Hubbard's estate. Sorry, I did
21 that wrong. Trustee of his trust and executor of his
22 estate.

23 Q. To your knowledge, is David Miscavige senior to
24 Mr. Starkey?

25 A. In what way?

1 MR. GREENE: Q. I would like to mark Exhibit
2 12, which is a packet of documents that's entitled
3 Suppressive Acts, Suppression of Scientology and
4 Scientologists, HCO Policy Letter of 23 December 1965,
5 revised 8 January '91.

6 (Whereupon Defendant's Exhibit 12
7 was marked for identification.)

8 (Brief recess.)

9 MR. GREENE: Back on the record.

10 Q. Now, Mr. Farny, I want to direct your attention
11 again back to Exhibit number ten, which is the Suppressive
12 Person Declare for Gerry Armstrong. In 1982 you were
13 posted within CSC, Church of Scientology of California?

14 A. That's correct.

15 Q. In 1982 CSC sued Gerald Armstrong, right?

16 A. Yes.

17 Q. And you were aware in 1982, were you not, that
18 Gerald Armstrong had been declared a suppressive person?

19 A. Yes, I was.

20 Q. Exhibit number ten purports to be a Suppressive
21 Person Declare with reference to Gerry Armstrong, right?

22 A. This is what it purports to be, but I can't
23 authenticate it because I can't remember what is said at
24 the time.

25 Q. Reviewing Exhibit ten is there anything about it

1 which would lead you to conclude that document is not
2 genuine?

3 A. It's words on a piece of paper. I have some
4 knowledge that I don't presently have. I wouldn't be able
5 to tell one way or the other.

6 Q. You are well familiar with Gerald Armstrong's
7 matters regarding Scientology, are you not?

8 MS. BARTILSON: Objection, vague and ambiguous
9 to the extent that it seeks knowledge that Mr. Farny may
10 have gained as a legal employee of the Church dealing with
11 attorneys. May also call for attorney-client privilege.

12 THE WITNESS: It's broad.

13 MS. BARTILSON: It's a little bit broad.

14 MR. BENZ: I'll overrule the objection and you
15 might rephrase it. The term well-acquainted might be a
16 little ambiguous. Acquainted would certainly be a proper
17 question.

18 THE WITNESS: "Matters" is a little broad
19 without some sort of definition.

20 MR. GREENE: Q. Starting with your employment
21 in the legal department of CSC, you actively followed the
22 events regarding the Armstrong litigation, didn't you?

23 A. Sure, that's a fair statement.

24 MR. WALTON: I'm sorry, Mr. Farny, I can't hear
25 you.

1 Suppressive Group List, would you review that, please?

2 A. I obviously have not read every word. The
3 attachment is in very small writing in multiple columns
4 for several pages, but I glanced over it.

5 Q. Have you seen this document before?

6 A. I believe so.

7 Q. This document appears to you to be accurate,
8 doesn't it?

9 A. Accurate compared to what? It appears to be
10 what it says, but I don't know on this list attached
11 whether -- I have to compare it to the one in the files to
12 be totally accurate.

13 Q. Directing your attention to page number four
14 where there's a section that says "declared suppressive
15 persons"?

16 A. Declared suppressive persons, yes.

17 Q. See where Gerry Armstrong is listed there in the
18 second column?

19 A. Yes.

20 Q. To the best of your knowledge, Gerald Armstrong
21 in 1992 was considered to be a suppressive person by
22 Scientology; isn't that right?

23 A. Again, the imprecise use of Scientology.

24 Q. Gerald Armstrong was considered by the
25 Scientology religion to be a suppressive person, wasn't

1 he?

2 A. I don't want to play word games. That's what
3 his status is to this day with regard to the Scientology
4 religion.

5 Q. That's right, and his status as an SP has been
6 ever since 1982; isn't that right?

7 A. That seems right, yeah.

8 Q. How often are suppressive persons and
9 suppressive group lists published?

10 A. I'm not certain. Periodically, and no, I don't
11 know if one was published since 1992.

12 Q. Now directing your attention to Exhibit number
13 12 --

14 MS. BARTILSON: Can I get a copy?

15 THE WITNESS: I flipped through it.

16 MR. GREENE: Q. Directing your attention to the
17 top of the first page, the actual HCO PL indicates that it
18 was revised on January 8, 1991?

19 A. That's what it says.

20 Q. To your knowledge that's when the green volumes
21 were revised, right or not?

22 A. I'm not certain exactly when in '91 they were
23 revised.

24 Q. Now directing your attention to the bottom of
25 the page where it says, "A suppressive person or a group

1 is one that actively seeks to suppress or damage
2 Scientology or a Scientologist by suppressive acts," do
3 you see that?

4 A. Yes.

5 Q. Is that definition of a suppressive person that
6 which you currently hold?

7 A. Yes.

8 Q. That definition of a suppressive person or group
9 has not changed over the time that you have been involved
10 in Scientology in general, has it?

11 A. It's essentially the same concept, yes.

12 Q. Now directing your attention to the next item
13 where it says in capital letter "Suppressive Acts are acts
14 calculated to impede or destroy Scientology or a
15 Scientologist and which are listed at length in this
16 policy letter," that definition of suppressive acts is
17 that which you currently hold, isn't it?

18 A. Yes.

19 Q. That definition has also essentially remained
20 the same throughout your affiliation with Scientology;
21 isn't that right?

22 A. Yes.

23 Q. Now turning the page and under the section
24 entitled Suppressive Acts, again it says, quote,
25 "Suppressive acts are defined as actions or omissions

1 of, I would say no because several of your questions have
2 elicited in hearsay statements from me and those certainly
3 would be suppressive acts. But testifying in a manner
4 falsely and with the intention of destroying Scientology
5 would, yes, be a suppressive act.

6 Q. Let me just direct your attention specifically
7 to the item that's right underneath falsifying records.

8 A. Right. I got you what you are saying.

9 Q. Now with respect to that which says "Testifying
10 or giving data against Scientology falsely or in
11 generalities or without personal knowledge of the matters
12 to which one testifies," that constitutes a suppressive
13 act, doesn't it?

14 A. If the testimony fits within the more embracive
15 definition of being an act undertaken knowingly to
16 suppress, impede or destroy Scientology as it says at the
17 beginning of this list, yes, it would be.

18 Q. Now going down the column to where it says
19 "Issuing alter-ised Scientology technical data or
20 information or instructional or admin procedures calling
21 it Scientology or calling it something else to confuse or
22 deceive people as to the true source, beliefs and
23 practices of Scientology," with respect to that that
24 constitutes a suppressive act, does it not?

25 A. Certainly, again within the overall embracive

1 standing with Scientology organizations," that's a
2 suppressive act, right?

3 A. Yes.

4 Q. Then the one following that where it says,
5 "Public statements against Scientology or Scientologists
6 but not to Committees of Evidence duly convened," that
7 type of conduct, too, is considered to be suppressive
8 activity to Scientology, right?

9 A. Would depend on the severity of the statements,
10 but, yes, it is on the list; it would be considered
11 suppressive.

12 Q. These items we're talking about here, these all
13 are a matter of ecclesiastical concern to Scientology,
14 right?

15 A. Yes.

16 Q. So all these matters that we've been talking
17 about here under the category of Suppressive Acts really
18 fall within the exclusive domain of the ecclesiastical
19 concern of Scientology, right?

20 A. Some of them also overlap into the State because
21 you have your garden variety felonies are also on the
22 list, but the ones that don't, the ones that specifically
23 pertain to ecclesiastical offenses are the exclusive
24 purview of the ecclesiastical authority to adjudicate
25 this.

1 CERTIFICATE OF DEPOSITION OFFICER

2
3 I, PENNY L. GILMORE, duly authorized to
4 administer oaths pursuant to Section 8211 of the
5 California Code of Civil Procedure, do hereby certify
6 that LYNN ROBERT FARNY, the witness in the foregoing
7 deposition, was by me duly sworn to testify the truth, the
8 whole truth and nothing but the truth in the
9 within-entitled cause; that said deposition was taken at
10 the time and place herein stated, that the testimony of
11 said witness was reported by me, a Certified Shorthand
12 Reporter and a disinterested person, and was thereafter
13 transcribed into computer-assisted transcription under my
14 direction.

15 I further certify that I am not of counsel or
16 attorney for either or any of the parties in the foregoing
17 deposition and caption named, nor in any way interested in
18 the outcome of the cause named in said caption.

19 IN WITNESS WHEREOF, I have hereunto set my hand
20 this 7th day of August 1994.

21
22
23 I hereby certify this copy is a
24 true and exact copy of the
Original.

25 Penny L. Gilmore
DEPOSITION OFFICER, CSR NO. 4724

IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF MARIN

---oOo---

COPY

CHURCH OF SCIENTOLOGY)
INTERNATIONAL, a California)
not-for-profit religious)
corporation,)

Plaintiff,)

vs.)

GERALD ARMSTRONG; MICHAEL)
WALTON; THE GERALD ARMSTRONG)
CORPORATION, a California for)
profit corporation; DOES 1)
through 100, inclusive,)

Defendants.)

AND RELATED CROSS-ACTION.)

NO. 157-680

DEPOSITION OF:

LYNN R. FARNY

Tuesday, July 26, 1994

VOLUME III

Reported by:
SUSAN M. LYON
CSR NO. 5829

PENNY L. GILMORE & ASSOCIATES
DEPOSITION REPORTERS
P.O. BOX 862
ROSS, CALIFORNIA 94957
(415) 457-7899

1 A. Same building.

2 Q. And where is that building?

3 A. Corner of Hollywood Boulevard in Los Angeles.

4 Q. And what's the address?

5 A. 6331 Hollywood Boulevard.

6 Q. I want to direct your attention now to Exhibit 15,
7 which is a two-page document entitled Executive Directive,
8 dated 20 September, 1984.

9 Now, at this point you were working, in 1984, you
10 were working in the legal division of CSI, weren't you?

11 A. That's right.

12 Q. And do you recognize this document, Exhibit 15?

13 A. Yes.

14 Q. Okay.

15 MR. BOWLES: Do you have a copy of that, Mr.
16 Greene?

17 MR. GREENE: I don't. I apologize.

18 Actually, I do. I've got a --

19 MR. BOWLES: Thanks.

20 MR. GREENE: -- shrunken copy.

21 Q. Would you tell me what Exhibit 15 is, please.

22 A. It's an executive directive of Office of Special
23 Affairs International purporting to be issued on or about
24 20 September, 1984.

25 Q. Now, have you seen this document or a copy thereof

1 before?

2 A. I've seen a copy of the Office of Special Affairs
3 International executive directive 19 before, yes.

4 Q. And what is OSA Int executive directive 19?

5 MR. BOWLES: You want him to describe the document
6 or --

7 MR. GREENE: No, just what his --

8 Q. You say you've seen it before and you're familiar
9 with it. So if you would tell me what the meaning of the
10 document is.

11 A. It was a document that was issued in the fall, late
12 summer or early fall of 1984 to provide information for
13 Scientologists concerning the ecclesiastical status of
14 certain individuals discussed therein.

15 Q. And the ecclesiastical status with respect to the
16 individuals set forth in Exhibit 15 is that their actions
17 were destructive and aimed at the enslavement rather than
18 the freedom of man; right?

19 MR. BOWLES: Are you just reading from the
20 document, Mr. Greene or --

21 THE WITNESS: He is.

22 MR. BOWLES: That speaks for itself.

23 THE WITNESS: That's line two through four, three
24 and four.

25 MR. GREENE: Q. You can answer the question.

1 A. It would appear so. That's what the document says.

2 Q. All right. Now, based on your knowledge of matters
3 which transpired in the fall of 1984 within CSI, it's
4 true, is it not, that it was generally known that Gerald
5 Armstrong had been designated as a squirrel; right?

6 MR. BOWLES: Objection, vague. Generally known
7 where?

8 MR. GREENE: Within CSI.

9 THE WITNESS: I don't know how generally known it
10 was within CSI.

11 MR. GREENE: Q. It was known to you, wasn't it?

12 A. I'm not certain that Gerry did much active
13 squirreling. He was obviously included in this issue
14 because of his involvement with Lipkin and Ristuccia in
15 the plot that was revealed in Griffith Park.

16 Q. Okay.

17 A. It was -- actually around September was in the
18 process of being revealed, if I remember right. But it
19 was around that time period that that went down as well.

20 So I'm not certain how much active squirreling he
21 did, but he certainly earned inclusion in this with the
22 rest of these individuals through that activity.

23 Q. All right. And there's nothing, to your knowledge,
24 that's set forth in Exhibit 15 that's false, is there?

25 A. I'd have to read the whole thing.

1 the legal process. That's garbage and you know it.

2 This paid, hired gun people who would come in and
3 say bad things just because they were being paid to do so
4 were removed from the marketplace forcing you guys to deal
5 with facts, and that appears to be something you can't
6 tolerate, and that's why you got a problem with it, just
7 so we're clear.

8 Q. I really appreciate your expounding, Mr. Farny.

9 A. Hey, no problem.

10 Q. Also, Howard Schomer, Homer Schomer was a witness
11 in Wollersheim, wasn't he?

12 A. No, he was not allowed to testify. The court ruled
13 he had nothing relevant to say to any issue and forbade
14 him from opening his mouth in front of the jury.

15 Q. You testified in Wollersheim; right?

16 A. Yes.

17 Q. And Edward Walters testified in Wollersheim as
18 well?

19 A. Same category as Sullivan, yes.

20 Q. And, in fact, he and Sullivan testified not on any
21 mistreatment of Wollersheim but on the manner in which
22 Scientology operated; right?

23 A. No. They made up their schtick and just, you know,
24 flapped their gums just like they were being paid to do.

25 Q. Okay. And then you include, with respect to the

1 characterization of them making up their schtick and
2 flapping their gums, you would apply the same type of
3 characterization to Gerald Armstrong, wouldn't you?

4 A. In what context?

5 Q. In the context of his participation in litigation
6 and his phony declarations?

7 A. Well, I'll stipulate that the declarations are
8 phony and that they contain lies.

9 Q. That's your view of them; right?

10 A. Certainly.

11 Q. And that Armstrong's -- he was lying about
12 Scientology and its founder, as was Sullivan and Walters;
13 right?

14 A. All three told things that were not true, that were
15 lies, yes.

16 Q. And so did Schomer, didn't he?

17 A. He even admitted to having lied.

18 Q. Now, the stipulation whereby if Breckenridge's
19 decision was reversed by Scientology's unopposed appeal
20 thereof --

21 A. Time out, I can't adopt your characterization of it
22 because the appeal at that stage had already been fully
23 briefed, there was no further need for an appeal brief --
24 now just let me finish.

25 Q. Go ahead.

1 protect their overts against mankind and their only way
2 out of this universe."

3 Q. That's correct. So let me ask you some questions
4 about that paragraph, if I may, as it relates to Gerald
5 Armstrong. Is that all right?

6 A. Except that I'm not sure as of September 1984
7 whether he had given such testimony. It does say some of
8 them. If he had, fine. I'm pretty sure he had, so we can
9 proceed and I'll do the best I can.

10 Q. All right. Hal Lipkin of the IRS; right?

11 A. That wouldn't be testimony. It would be
12 information.

13 Q. Information?

14 A. Right.

15 Q. False testimony here is testimony, to your
16 knowledge, used in the legal sense or in a more generic
17 sense?

18 A. You got me.

19 Q. Based on --

20 A. My guess would be legal, because false testimony
21 implies perjurious conduct rather than merely lies. And I
22 think if it was merely lies, we would have said lies or
23 false statements.

24 Q. Well, it's your view, is it not, that Armstrong
25 testified falsely in the course of Armstrong One, isn't

1 it?

2 A. Yes.

3 Q. And his declarations contained perjurious lies?

4 A. Yes. And I'm aware of those going to the IRS, so
5 yes, this paragraph would apply to him.

6 Q. Now, would you explain to me what your
7 understanding is of the meaning of the phrase "in order to
8 protect their overts against mankind"?

9 A. Each of these individuals had been in a position of
10 trust with regard to the religion of Scientology.

11 Gerry had been in a position of trust with regards
12 to the personal archives of the founder of the religion.

13 Kima, Dee Dee, John Nelson, Laurel Sullivan and
14 David Mayo all had positions of trust, some quite senior
15 to the position Armstrong had.

16 What this phrase means is that each of these
17 individuals committed harmful acts, an overt is a harmful
18 act, against Scientology in violation of that trust,
19 rather serious harmful acts to wind them up in the
20 position that they were in as of the 20th of September,
21 1984.

22 Well, it makes those destructive acts a lot more
23 palatable if one can get the IRS to come down on the
24 church, and that's what's meant by that.

25 These people were providing false information to

1 A. No. What I said is sometimes the issues, executive
2 directives specifically, would have annotated packages
3 that go with them, with the documentary support.

4 Q. I see.

5 A. And sometimes they would not.

6 Q. All right.

7 A. I just don't know with respect to this one.

8 MR. GREENE: I'd like to mark this as Exhibit 19.
9 (Defendant's Exhibit No. 19 marked.)

10 MR. GREENE: Q. I'm showing you Exhibit 19, which
11 is an eight-page document, which is entitled HCO policy
12 letter of 21 November, 1972.

13 You can take a look at that, please.

14 A. Do you want me to read the entire thing or focus on
15 something in particular?

16 Q. Initially, peruse it.

17 A. I've perused it.

18 Q. You're familiar with the term black propaganda, are
19 you not?

20 A. Yes.

21 Q. And looking at the first paragraph of Exhibit 19,
22 does that appear, to your knowledge, to be an accurate
23 definition of black propaganda?

24 A. Yes.

25 Q. Now, in your view, was Gerald Armstrong engaged in

1 a campaign of black propaganda against Scientology?

2 A. Any parameters as to time?

3 Q. Ever since December 1981.

4 A. Not the entire time period, but certainly large
5 portions of that, yes.

6 Q. What portions of that time period do you exclude?

7 A. The time between when he walked out the door in
8 December '81 and his first act and the time after December
9 '86 up until his first act after that.

10 Q. And when was his first act after December 1986?

11 A. To the best of my knowledge, it was in '89
12 sometime, late '89.

13 Q. And what specifically was the act to which you were
14 making reference?

15 A. Those we've discussed at length over the past three
16 days.

17 Q. Which one?

18 A. The first, the first one in sequence.

19 Q. Which was the first in sequence, to your knowledge?

20 A. The Corydon one, I believe, was the first in
21 sequence.

22 Q. And with respect to Corydon, what was it that
23 Armstrong, what did he do?

24 A. What did he do?

25 Q. Did he testify? What did he do?

1 A. Once he got into deposition in the spring, I
2 believe, he was spreading black propaganda, spreading
3 lies.

4 Q. So the black propaganda that he gave and the lies
5 that he spread were given under penalty of perjury in the
6 course of the legal proceeding?

7 A. By no means all of them. He's done a lot of media
8 in this country and abroad.

9 Q. And are you familiar with Exhibit 19?

10 A. I am familiar with the policy letter entitled "How
11 to Handle Black Propaganda. I haven't read this one word
12 for word to make a comparison.

13 Q. Would you take a look at it to whatever extent you
14 need to tell me, at least generally, it comports with the
15 policy letter with which you are familiar?

16 A. I'd say generally it does, but that's not an
17 authentication.

18 Q. Okay.

19 A. Those are easier done in written discovery when
20 you've got time to do just the word by word comparison.

21 Anyway, generally it does appear to be that policy
22 letter, yes.

23 MR. GREENE: I want to mark another exhibit as 20.

24 (Defendant's Exhibit No. 20 marked.)

25 MR. GREENE: Q. Exhibit 20 is a four-page document

1
2 I, SUSAN M. LYON, a Certified Shorthand Reporter in
3 and for the State of California, do hereby certify:

4 That the witness named in the foregoing deposition
5 was present and duly sworn to testify the truth in the
6 within-entitled action on the day and date and at the time
7 and place therein specified;

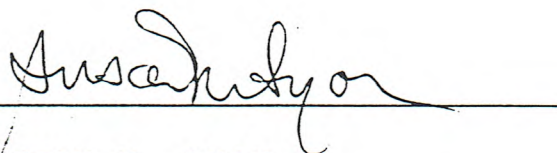
8 That the testimony of said witness was reported by
9 me in shorthand and was thereafter transcribed under my
10 direction into typewriting;

11 That the foregoing constitutes a full, true and
12 correct transcript of said deposition and of the
13 proceedings which took place;

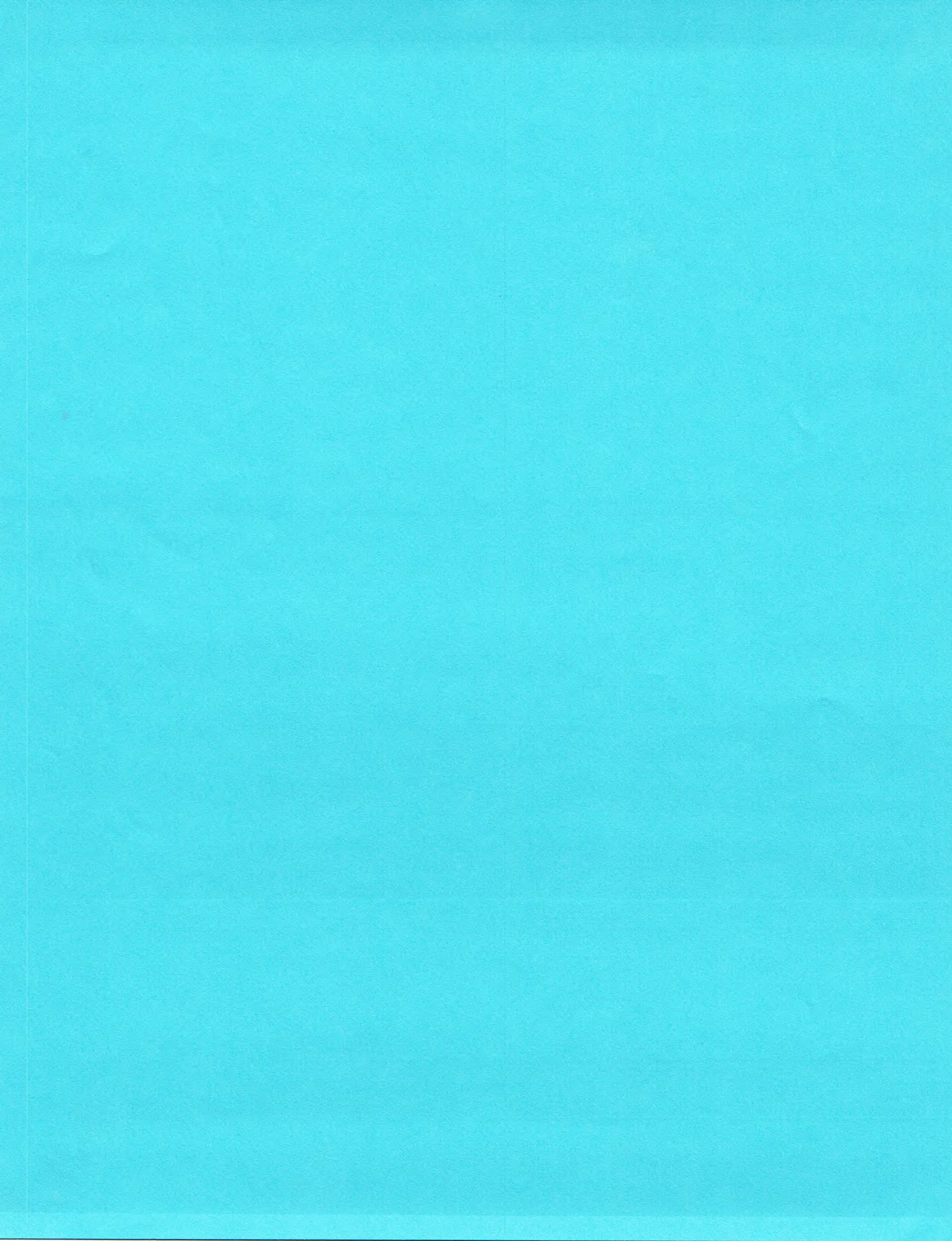
14 That the witness was given an opportunity to read
15 and, if necessary, correct said deposition and to
16 subscribe the same;

17 That I am a disinterested person to the said
18 action;

19 IN WITNESS WHEREOF, I have hereunto subscribed my
20 hand this 8th day of August 1994.

21
22 
23 SUSAN M. LYON

24 CSR #5829
25



HCO POLICY LETTER OF FEBRUARY 1979
REISSUED 12 APRIL 1983

Remimeo
Tech/Qual
HCO

(Reissued as part of the
Keeping Scientology Working Series)

(Also issued as HCOB 15 Feb. 1979, same title)

Keeping Scientology Working Series 24/VIT:

Administrations 6
PFL/DEFT EXHIBIT
Taney
PENNY L. GILMORE, Reporter
7-12-94

VERBAL TECH: PENALTIES

(Ref: HCOB/HCO PL 9 Feb. 79, HOW TO DEFEAT VERBAL TECH)

ANY PERSON FOUND TO BE USING VERBAL TECH SHALL BE SUBJECT TO A COURT OF ETHICS.

THE CHARGES ARE GIVING OUT DATA WHICH IS CONTRARY TO HCO BULLETINS OR POLICY LETTERS, OR OBSTRUCTING THEIR USE OR APPLICATION, CORRUPTING THEIR INTENT, ALTERING THEIR CONTENT IN ANY WAY, INTERPRETING THEM VERBALLY OR OTHERWISE FOR ANOTHER, OR PRETENDING TO QUOTE THEM WITHOUT SHOWING THE ACTUAL ISSUE.

ANY ONE OF THESE CATEGORIES CONSTITUTES VERBAL TECH AND IS ACTIONABLE PER THE ABOVE.

L. RON HUBBARD
Founder

Adopted as official
Church policy by
CHURCH OF SCIENTOLOGY
INTERNATIONAL

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HUBBARD COMMUNICATIONS OFFICE
Saint Hill Manor, East Mead, Sussex

HCO POLICY LETTER OF 5 MARCH 1965

Remimeo

Issue II

POLICY: SOURCE OF

Armstrong 7
PFL/DEF EXHIBIT
WIT: Janney
PENNY L. GILMORE, Reporter
7.12.94

According to *Webster's New World Dictionary*:

POLICY: Political wisdom or cunning; diplomacy; prudence; artfulness. Wise, expedient or crafty conduct or management. *Any governing principle, plan or course of action.*

The last definition is the one we use.

According to the *World Book Encyclopedia Dictionary*, the one we most use (published by Field Enterprises Educational Corporation, Merchandise Mart Plaza, Chicago 54, Illinois, USA)

POLICY: A plan of action; way of management. Practical wisdom; prudence. Political skill or shrewdness. *Obsolete*—the conduct of public affairs; government.

~~the sense in which we use policy is the rules and administrative formulas by which we agree on action and conduct our affairs~~

A "policy letter" is one which contains one or more policies and their explanation and application.

It is issued by the Hubbard Communications Office, is written by L. Ron Hubbard or written (more rarely) for him, has the agreement of the International Board and is basic organizational law in organizations.

A "policy letter" is not Scientology org policy unless written or authorized by L. Ron Hubbard and passed as a resolution or covered by blanket resolution of the International Board and issued or published by an HCO. It is not policy if any of those steps are missing.

The International Board is composed of three board members: L. Ron Hubbard, Chairman; Mary Sue Hubbard, Secretary; and Marilyn Routsong, Treasurer. It is the controlling board of Scientology.

The Chairman, Hubbard Communications Office and HCO Secretaries and staffs compose Division 1 of the International Board and all orgs.

The Secretary and all Organization Secretaries (US and Saint Hill) or Association Secretaries (Commonwealth and South Africa) and their staffs compose Division 2 of the International Board and all orgs.

The Treasurer, Assistant Treasurers, all accounting executives, and assistants for Materiel and their staffs compose Division 3 of the International Board and all orgs.

Policy for all divisions and orgs is made as above.

There are no other boards or board members, individual board members, officers or secretaries with the power of issuing policy. Boards issue resolutions. Individual board members or officers can issue directives, general orders, and orders. These expire if not reissued as policy.

Other officers issue administrative directives in place of policy letters but these may only forward policy.

Secretarial Executive Director orders apply mainly to personnel or local conditions, expire in one year if not stated to expire earlier, may only last one year in any event.

Policy letters apply broadly to all orgs and Scientologists without exception.

Almost all policy has been developed by actual experience.

The only way policy can be changed is by writing up a policy letter in full and sending it to L. Ron Hubbard for approval or disapproval.

Policies cover hats, duties, lines, procedures, rules, laws and all other aspects of Scientology activity except technology.

Technology is covered in HCO Bulletins.

HCO Bulletins are written by or (more rarely) for L. Ron Hubbard and are issued by HCO and HCO Secretaries. They do not require sanction by the International Board.

No one else may issue or authorize an HCO Bulletin.

HCO Bulletins are recommended technical data. Certificates are awarded on the data contained in them and violation of it can therefore cause a suspension of the certificate. This is the main power of the HCO Bulletin.

An HCO Bulletin becomes policy only if mentioned in a policy letter.

A book may become policy if made so by a policy letter.

HCO Policy Letters are printed or (more commonly) mimeographed in green ink on white paper. This color combination may not be used for any other releases in Scientology. Reprinted policy letters sometimes appear in magazines in black ink on white paper but they are not the original.

HCO Bulletins are printed or mimeographed in red ink on white paper. This color combination may not be used for any other purpose in Scientology. Reprinted HCO Bulletins sometimes appear in magazines in black ink on white paper but they are not the original.

Committees of Evidence are called for in any violation of the publishing or counterfeiting of an HCO Policy Letter or an HCO Bulletin or their color combinations or signatures.

The only other official paper from L. Ron Hubbard and HCO is the HCO Executive Letter, usually a direct executive order or a request for a report or data or news or merely information. It is not policy but should be answered if an answer is requested. It is blue ink on green paper.

Using the color combination for any other purpose or counterfeiting one calls for a Committee of Evidence.

Sec EDs and HCO Executive Letters are basically LRH comm lines but are used by International Board Officers also if authorized.

The other divisions (2 and 3) have other means of comm, with other color flashes.

If it is not in an HCO Policy Letter it is not policy.

HCO Policy Letters do not expire until canceled or changed by later HCO Policy Letters.

No officer or Scientology personnel may set aside policy even when requesting revision.

L. RON HUBBARD
Founder

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INTERNATIONAL

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HCO POLICY LETTER OF 9 AUGUST 1972

Remimeo
All Executive
Hats
All Bureaux
Hats

SENIORITY OF ORDERS

Armstrong
PFL/DEPT EXHIBIT
WIT: *Fanney*
PENNY L. GILMORE, Reporter
7-12-94

No Aides Order or Flag Bureaux Data Letter or Executive Directive, Directive or Base Order of any type or kind, written or verbal, may alter or cancel any Policy Letter or HCOB. These remain senior.

HCO Policy Letters are senior in admin. HCO Bulletins are senior to all other orders in tech.

Only Policy Letters may revise or cancel Policy Letters. Only HCOBs may revise or cancel HCOBs.

No Aides Order or other directive or order may abolish a network or org or change the form of an org.

HCO PLs and HCOBs require passing by LRH or the full authority of International Board Members as well as the Authority and Verification Unit.

Telexes which inform orgs or executives of modifications or cancellations of HCO PLs or HCOBs must quote the revision HCO PL or HCOB, and the revision must in fact exist and itself be issued and follow.

Any practice by which junior issues such as Directives abolish networks or make off-policy changes can only result in the destruction of networks, orgs and tech.

This is therefore a HIGH CRIME Policy Letter and it is an offense both to follow or obey or issue any verbal or written order or directive which is contrary to or changes or "abolishes" anything set up in HCO Policy Letters or HCOBs, including the downgrade of "that's out-of-date" or "that's been canceled" without showing the HCO PL or HCOB which revises or cancels.

HCO PLs and HCOBs are proven by time and are the senior data on which we operate.

L. RON HUBBARD
Founder

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HCO POLICY LETTER OF 25 NOVEMBER 1970
(CORRECTED AND REISSUED 27 NOV. 1970)

Remimeo

Org Series 16

POLICY AND ORDERS

Armstrong
PFL/REF/EXHIBIT
WIT: *Fanny*
PENNY L. GILMORE, Reporter
7-12-94

Probably the greatest single confusion that can exist in the subject of organizing is the reversal of "policy" and "orders."

When definitions of these two things are not clearly understood, they can be identified as the same thing or even reversed.

When they are not understood plainly then staff members set their own policy and demand orders from top management, totally reversing the roles.

Confusion thus generated can be so great as to make an organization unmanageable. It becomes impossible for staff to do its job and management cannot wear its hat.

People in an organization obsessively demand orders from policy source and then act on their own policy. This exactly reverses matters and can be a continual cause of disorganization.

As policy is the basis of group agreement, unknown policy or policy set by the wrong source leads to disagreement and discord.

Demanding or looking for orders from policy source and accepting policy from unauthorized sources of course turns the whole organization upside down. The bottom of the org board becomes the top of the org bd. And the top is forced to act at lower levels (order issue) which pulls it down the org bd.

But this is not strange as we are dealing here with principles rather new in the field of organization, principles which have not been crisply stated. THERE IS NO EXACT ENGLISH WORD for either of these two functions.

POLICY as a word has many definitions in current dictionaries amongst which only one is partially correct: "A definite course or method of action to guide and determine future decisions." It is also "prudence or wisdom," "a course of action" and a lot of other things according to the dictionary. It even is said to be laid down at the top.

Therefore the word has so many other meanings that the language itself has become confused.

Yet, regardless of dictionary fog, the word means an exact thing in the specialized field of management and organization.

POLICY MEANS THE PRINCIPLE EVOLVED AND ISSUED BY TOP MANAGEMENT FOR A SPECIFIC ACTIVITY TO GUIDE PLANNING AND PROGRAMING AND AUTHORIZE THE ISSUANCE OF PROJECTS BY EXECUTIVES WHICH IN TURN PERMIT THE ISSUANCE AND ENFORCEMENT OF ORDERS THAT DIRECT THE ACTIVITY OF PERSONNEL IN ACHIEVING PRODUCTION AND VIABILITY.

POLICY is therefore a principle by which the conduct of affairs can be guided.

A policy exists, or should exist, for each broad field or activity in which an organization is involved.

Example: The company has a lunchroom for its employees. Top policy concerning it might be "To provide the employees cheaply with good food and clean fast service." From this the lunchroom manager could plan up and program how he was going to do this. With these approved they form the basis of the orders he issues.

Now let us say the manager of the lunchroom did not know organization and that he did not try to get a policy set or find if there was one and made up his own policy and planned and programmed and issued his orders on that. Only the policy *he* makes up is "To make dough for the company."

Now the wild melee begins.

Top management (the lunchroom manager's highest boss) sees stenos eating cold lunches brought from home at their desks. And begins to investigate. How come? Stenos then say, "We find it cheaper to eat our own lunches." Top management finds coffee in the lunchroom is terrible and costs several shillings. Dried out sandwiches cost a fortune. There is no place to sit . . . etc. So top management issues *orders* (not policy). "Feed that staff!" But nothing happens because the lunchroom manager can't and still "make dough for the company." Top management issues more *orders*. The lunchroom manager thinks they must be crazy at board level. How can you make dough and still feed the whole staff? And top management thinks the lunchroom manager is crazy or a crook.

Now you multiply this several times over in an organization and you get bad feeling, tension and chaos.

Let us say top management had issued policy: "Establish and run a lunchroom to provide the employees cheaply with good food and clean fast service." But the lunchroom manager hired knew nothing of organization, heard it, didn't realize what policy was and classified it as a "good idea." Idealistic, probably issued for PR with employees. "But as an experienced lunchroom man I know what they really want. So we'll make a lot of dough for the company!"

He thereafter bases *all* his orders on this principle. He buys lousy food cheap, reduces quality, increases prices, cuts down cost by no hiring and does make money. But the company gets its income from happy customers who are handled by happy staff members. So the lunchroom manager effectively reduces the real company income by failing to cater to staff morale as was intended.

UNPREDICTABLE

It is a complete fact that no top management can predict WHAT policy will be set by its juniors.

The curse of this is that top management depends on "common sense" and grants greater knowledge of affairs to others at times than is justified. "Of course anybody would know that the paper knives we make are supposed to cut paper." But the plant manager operates on the policy that the plant is supposed to provide employment for the village. You can imagine the squabble when the paper knives which do NOT cut paper fail to sell and a threatened layoff occurs.

Nearly all labor-management hurricanes blow up over this fact of ignorance of policy. It is not actually a knowing conflict over different policies. It's a conflict occurring on the unknown basis of unknown or unset policy of top management and the setting of policy at an unauthorized level.

ORDERS

"Order" takes up two small print columns of the two-ton dictionaries.

The simple definition is

AN ORDER IS THE DIRECTION OR COMMAND ISSUED BY AN AUTHORIZED PERSON TO A PERSON OR GROUP WITHIN THE SPHERE OF THE AUTHORIZED PERSON'S AUTHORITY.

By implication an ORDER goes from a senior to juniors.

Those persons who do not conceive of an organization larger than a few people tend to lump all seniors into order-issuers, tend to lump anything such a senior says into the category of order and tend to lump all juniors into order-receivers.

This is a simple way of life, one must say.

Actually it makes all seniors bosses or sergeants and all juniors into workers or privates. It is a very simple arrangement. It does not in any way stretch the imagination or sprain any mental muscles.

Unfortunately such an organized arrangement holds good for the metal section of the shop or a platoon or squad. It fails to take into account more sophisticated or more complex organizations. And it unfortunately requires a more complex organization to get anything done.

Where one has squad mentality in a plant or firm, one easily gets all manner of conflict.

Few shop foremen or sergeants or chief clerks ever waste any time in trying to tell the "rank and file" what the policy is. "Ours was not to reason why" was the death song of the Light Brigade. And also the open door to communism.

Communism is unlikely to produce a good society because it is based on squad mentality. Capitalism has declined not because it was fought but because it could not cope with squad mentality. The policies of both are insufficiently embracive of the needs of the planet to achieve total acceptability.

An order can be issued solely and only because its issuer has in some fashion attained the right to issue the instruction and to expect compliance.

The officer, the chief clerk, the shop steward, the sergeant, each one has a license, a warrant, a "fiat" from a higher authority which entitles him to issue an *order* to those who are answerable to him.

So where does this authority to issue orders come from?

The head of state, the government, the board of directors, the town council, such bodies as one could consider top management in a state or firm, issues the authority to issue orders.

Yet such top persons usually do not issue authority to issue orders without designating what the sphere of orders will be and what they will be about.

This is the policy-making, appointment-making level at work.

All this is so poorly and grossly defined in the language itself that very odd meanings are conceived of "policy" and "orders."

Unless precise meanings are given, then organization becomes a very confused activity.

Understood in this way, the following sentence becomes very silly: "The board of directors issued orders to load the van and the driver was glad to see his policy of interstate commerce followed."

Yet a group will do this to its board of directors constantly. "You did not issue

orders. . . ." "We were waiting for orders. . . ." "I know we should have opened the doors but we had no order from the council. . . ."

The same group members, waiting for orders to sit or stand by special board resolution, will yet set policy continually. "We are trying to let others do their jobs without interference." "I am now operating to make each member of my department happy." "I am running this division to prevent quarrels."

Ask officers, secretaries, in-charges, "What policy are you operating on?" and you will get a quick answer that usually is in total conflict or divergence from any board policy. And you will get a complaint often that nobody issues their division orders so they don't know what to do!

The fact is that POLICY gives the right to issue orders upon it to get it in, followed and the job done.

A group of officers each one issuing policy madly while waiting for the head of the firm to give them orders is a scene of mix-up and catastrophe in the making.

Policy is a long, long-range guiding principle.

An order is a short-term direction given to implement a policy or the plans or programs which develop from policy.

"People should be seated in comfortable chairs in the waiting room" is a policy.

"Sit down" is an order.

If policy is understood to authorize people to issue orders, the picture becomes much clearer.

"Clearing post purpose" is another way of saying "Get the policy that establishes this post and its duties known and understood."

Unless an organization gets this quite straight, it will work in tension and in internal conflict.

When an organization gets these two things completely clear, it will be a pleasant and effective group.

L. RON HUBBARD
Founder

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